

**FINANCIAL REPORT  
WEST TRAVERSE TOWNSHIP  
MARCH 31, 2005**

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>West Traverse Township</b>	County <b>Emmet</b>
Audit Date <b>3/31/05</b>	Opinion Date <b>6/20/05</b>	Date Accountant Report Submitted to State: <b>09/30/2005</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

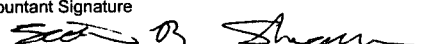
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Hill, Schroderus &amp; Co., LLP</b>			
Street Address <b>923 Spring Street</b>	City <b>Petoskey</b>	State <b>MI</b>	ZIP <b>49770</b>
Accountant Signature 		Date <b>09/29/2005</b>	

**WEST TRAVERSE TOWNSHIP  
FINANCIAL REPORT  
March 31, 2005**

Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1-2
<b>Management's Discussion and Analysis</b>	i-iv
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Proprietary Funds:	
Statement of Net Assets	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets	10
Statement of Cash Flows	11-12
Fiduciary Funds:	
Statement of Fiduciary Net Assets	13
Notes to Financial Statements	14-25
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedules:	
General Fund	26-27
<b>Other Supplemental Information</b>	
Combining Financial Statements:	
Nonmajor Governmental Funds:	
Balance Sheet	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	29



June 20, 2005

Independent Auditors' Report

Township Board  
West Traverse Township, Michigan  
Emmet County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Traverse Township, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

We were not engaged as auditors of the Township until the end of the fiscal year and our engagement did not include the performance of procedures necessary to enable us to satisfy ourselves as to account balances as of April 1, 2004.

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had we performed procedures on the April 1, 2004 account balances as explained above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Traverse Township, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of April 1, 2004.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Traverse Township's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hill, Schroeder & Co.*

CERTIFIED PUBLIC ACCOUNTANTS  
Petoskey, Michigan

# WEST TRAVERSE TOWNSHIP

P.O. Box 353  
Harbor Springs, MI 49770

## Management's Discussion and Analysis

### Overview of the Basic Financial Statements

West Traverse Township's basic financial statements include government-wide statements, fund financial statements and notes to the financial statements. This report also contains required and other supplemental information in addition to the basic financial statements. Because this is the first year of implementation of GASB Statement No. 34, prior year numbers are not presented within the Management's Discussion and Analysis.

### Government-wide Financial Statements

The government-wide financial statements report information on all of the Township's non-fiduciary funds. The government-wide statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The Statement of Net Assets displays all of the Township's assets and liabilities, with the difference reported as *net assets*. All long-term assets and debt obligations are presented.

The Statement of Activities focuses on the gross and net cost of the various functions within the Township (general government, public safety, public works, etc.), which are supported by the Township's general revenues (property taxes, state shared revenues, etc.).

### Fund Financial Statements

The fund financial statements report on the governmental funds and proprietary funds, with an emphasis on major funds. Major funds are determined by the level of activity within the various funds.

The focus of the governmental fund financial statements is on the sources and uses of funds during the current year.

The proprietary fund financial statements present information as it would appear for a private-sector business.

The fiduciary fund is also presented, separate from the governmental funds, due to the fact that these assets do not represent assets of the Township. These assets are not presented as part of the government-wide financial statements.

West Traverse Township maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund. This is the only governmental fund which is considered to be a major fund.

### Notes to the Financial Statements

The notes provide additional information which is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Government-wide Financial Analysis

The table below summarizes the Township's net assets as of March 31, 2005:

<b>West Traverse Township</b> <b>March 31, 2005</b>	
	<u>Governmental Activities</u>
<b>Assets</b>	
Current and other assets	\$ 1,477,698
Capital assets - net of accum dep	<u>1,398,334</u>
Total assets	<u>2,876,032</u>
<b>Liabilities</b>	
Current liabilities	62,045
Noncurrent liabilities	<u>538,370</u>
Total liabilities	<u>600,415</u>
<b>Net Assets</b>	
Investment in capital assets, net of related debt	816,475
Unrestricted	<u>1,459,142</u>
Total net assets	<u><u>\$ 2,275,617</u></u>

At the end of the fiscal year, West Traverse Township is able to report positive balances in both categories of net assets. The first portion of the Township's net assets is its investment in capital assets (land, buildings, equipment and leasehold improvements); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets in providing services; consequently, these assets are not available for future spending.

The remaining portion of net assets – unrestricted net assets – may be used at the Township's discretion to meet ongoing obligations.

The results for the Township as a whole are reported in the Statement of Activities, which is summarized below:

**West Traverse Township  
Year Ended March 31, 2005**

	<u>Governmental Activities</u>
<b>Revenue</b>	
Program revenue:	
Charges for services	\$ 150,245
General revenue:	
Property taxes	378,747
State shared revenues	96,362
Interest and rentals	28,808
Other	<u>37,375</u>
Total revenues	<u>691,537</u>
<b>Function/Program Expenses</b>	
General government	149,379
Public safety	71,451
Public works	40,320
Recreation and cultural	62,453
Other	62,314
Depreciation (unallocated)	<u>6,732</u>
Total expenses	<u>392,649</u>
<b>Change in net assets</b>	298,888
<b>Net assets - beginning of year</b>	<u>1,976,729</u>
<b>Net assets - end of year</b>	<u><u>\$ 2,275,617</u></u>

As reported above, the Township recorded \$392,649 of expenses. The Township's activities were funded primarily with property tax revenues. State shared revenues and interest were other notable revenue sources.

The Township experienced an increase in net assets of \$298,888.



## Fund Financial Analysis

As of year end, the governmental funds reported a combined fund balance of approximately \$1,333,000, which is \$242,000 more than the beginning of the year. The increase was mainly due to General Fund revenues exceeding expenditures by about \$208,000.

## General Fund Budgetary Highlights

Final budgeted revenues remained unchanged from original budgeted revenues. Final budgeted expenditures increased \$42,000 from the original budgeted amounts. An increase in road improvement expenditures of \$30,000 was the largest increase.

Final actual revenues were over final budgeted amounts. Property tax revenue and state shared revenue were both higher than budgeted.

Final actual expenditures were less than final budgeted amounts. The largest budget variances related to the expenditures were due to non-usage of the contingency, the decision not to develop recreation facilities, less than anticipated capital outlay costs, and lower than projected wages.

## Capital Assets

At March 31, 2005 the Township had \$1,398,334 invested in capital assets. The following table summarizes the capital asset activity for the year:

	<b>West Traverse Township</b>			
	<b>Year Ended March 31, 2005</b>			
	<u>April 1, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>March 31, 2005</u>
Land & land rights	\$ 404,093	\$ -	\$ -	404,093
Buildings and improvements	63,433	-	-	63,433
Equipment	1,214,991	-	-	1,214,991
Office equipment and furniture	42,598	8,905	-	51,503
Leasehold improvements	74,135	3,734	-	77,869
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets	1,799,250	12,639	-	1,811,889
	<hr/>	<hr/>	<hr/>	<hr/>
Less accum depreciation	(376,965)	(36,590)	-	(413,555)
	<hr/>	<hr/>	<hr/>	<hr/>
Net capital assets	<u>\$ 1,422,285</u>	<u>\$ (23,951)</u>	<u>\$ -</u>	<u>\$ 1,398,334</u>

## Financial Contact

The Township's financial statements are designed to present users with a general overview of the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed towards the West Traverse Township Board.

**WEST TRAVERSE TOWNSHIP**  
**Statement of Net Assets**  
**March 31, 2005**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
<b>Current Assets</b>			
Cash	\$ 792,527	\$ 122,579	\$ 915,106
Taxes receivable	21,389	-	21,389
Internal balances	538,370	(538,370)	-
Due from fiduciary fund	2,833	-	2,833
	<u>1,355,119</u>	<u>(415,791)</u>	<u>939,328</u>
Total current assets			
<b>Noncurrent Assets</b>			
Land	400,604	-	400,604
Land rights	-	3,489	3,489
Depreciable assets	192,805	1,214,991	1,407,796
Less: accumulated depreciation	(71,702)	(341,853)	(413,555)
	<u>521,707</u>	<u>876,627</u>	<u>1,398,334</u>
Total noncurrent assets			
Total assets	<u>\$ 1,876,826</u>	<u>\$ 460,836</u>	<u>\$ 2,337,662</u>
<b><u>Liabilities and Net Assets</u></b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 7,690	\$ -	\$ 7,690
Accrued expenditures	3,900	-	3,900
Due to other governmental units	10,455	-	10,455
Notes payable, due within one year	-	40,000	40,000
	<u>22,045</u>	<u>40,000</u>	<u>62,045</u>
Total current liabilities			
<b>Net Assets</b>			
Invested in capital assets, net of related debt	521,707	294,768	816,475
Unrestricted	1,333,074	126,068	1,459,142
	<u>1,854,781</u>	<u>420,836</u>	<u>2,275,617</u>
Total net assets			
Total liabilities and net assets	<u>\$ 1,876,826</u>	<u>\$ 460,836</u>	<u>\$ 2,337,662</u>

**WEST TRAVERSE TOWNSHIP**  
**Statement of Activities**  
**For the Year Ended March 31, 2005**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>Primary Government</b>						
<b>Governmental activities:</b>						
General government	\$ 149,379	\$ 37,399	\$ -	\$ -	\$ (111,980)	\$ -
Public safety	71,451	-	-	-	(71,451)	-
Public works	40,320	-	-	-	(40,320)	-
Recreation and cultural	62,453	-	-	-	(62,453)	-
Unallocated depreciation	6,732	-	-	-	(6,732)	-
<b>Total governmental activities</b>	<b>330,335</b>	<b>37,399</b>	<b>-</b>	<b>-</b>	<b>(292,936)</b>	<b>-</b>
<b>Business-type activities:</b>						
Water	42,626	98,225	-	-	-	55,599
Sewer	19,688	14,621	-	-	-	(5,067)
<b>Total business-type activities</b>	<b>62,314</b>	<b>112,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,532</b>
<b>Total primary government</b>	<b>\$ 392,649</b>	<b>\$ 150,245</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(292,936)</b>	<b>(242,404)</b>
<b>General revenues:</b>						
Property taxes					378,747	-
State-shared revenues					96,362	-
Interest and rentals					28,064	744
Miscellaneous					37,281	94
<b>Total general revenues and transfers</b>					<b>540,454</b>	<b>838</b>
<b>Change in net assets</b>					<b>247,518</b>	<b>51,370</b>
<b>Net assets - beginning of year</b>					<b>1,607,263</b>	<b>369,466</b>
<b>Net assets - end of year</b>					<b>\$ 1,854,781</b>	<b>\$ 420,836</b>

See accompanying notes to the basic financial statements.

**WEST TRAVERSE TOWNSHIP**  
**Balance Sheet**  
**Governmental Funds**  
**March 31, 2005**

		Other Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>	<u>General</u>		
Cash	\$ 678,620	\$ 113,907	\$ 792,527
Taxes receivable	17,554	3,835	21,389
Due from other funds	541,203	-	541,203
Total assets	<u>\$ 1,237,377</u>	<u>\$ 117,742</u>	<u>\$ 1,355,119</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,690	\$ -	\$ 7,690
Accrued expenditures	3,900	-	3,900
Due to other governmental units	10,455	-	10,455
Total liabilities	<u>22,045</u>	<u>-</u>	<u>22,045</u>
<b>Fund balances</b>			
Unreserved, designated for:			
Road improvements	103,254	-	103,254
Recreation	71,593	-	71,593
Thorne Swift Fund	-	88,126	88,126
Cook Property Fund	-	29,616	29,616
Unreserved	1,040,485	-	1,040,485
Total fund balances	<u>1,215,332</u>	<u>117,742</u>	<u>1,333,074</u>
Total liabilities and fund balances	<u>\$ 1,237,377</u>	<u>\$ 117,742</u>	<u>\$ 1,355,119</u>

**WEST TRAVERSE TOWNSHIP**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Assets**  
**March 31, 2005**

<b>Total Fund Balance - Governmental Funds</b>	\$ 1,333,074
------------------------------------------------	--------------

Amounts reported for governmental activities in the statement of net assets  
are different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of net assets, these assets are capitalized and depreciated  
over their estimated useful lives.

Governmental capital assets	593,409
Accumulated depreciation	<u>(71,702)</u>

<b>Net Assets of Governmental Activities</b>	<b>\$ <u>1,854,781</u></b>
----------------------------------------------	----------------------------

**WEST TRAVERSE TOWNSHIP**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended March 31, 2005**

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 314,284	\$ 64,463	\$ 378,747
State revenues	96,362	-	96,362
Charges for services	34,428	2,971	37,399
Interest and rentals	8,344	19,720	28,064
Other	36,205	1,076	37,281
	<u>489,623</u>	<u>88,230</u>	<u>577,853</u>
Total revenues			
<b>Expenditures</b>			
Current:			
General government	149,379	-	149,379
Public safety	71,451	-	71,451
Public works	40,320	-	40,320
Recreation and cultural	11,975	50,478	62,453
Capital outlay	8,905	3,734	12,639
	<u>282,030</u>	<u>54,212</u>	<u>336,242</u>
Total expenditures			
<b>Net change in fund balances</b>	207,593	34,018	241,611
<b>Fund balances - beginning of year</b>	<u>1,007,739</u>	<u>83,724</u>	<u>1,091,463</u>
<b>Fund balances - end of year</b>	<u><u>\$ 1,215,332</u></u>	<u><u>\$ 117,742</u></u>	<u><u>\$ 1,333,074</u></u>

**WEST TRAVERSE TOWNSHIP**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Year Ended March 31, 2005**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 241,611</b>
---------------------------------------------------------------	-------------------

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of these assets is allocated over  
their estimated useful lives as depreciation.

Expenditures for capital assets	12,639
Current year depreciation	<u>(6,732)</u>

<b>Change in Net Assets of Governmental Activities</b>	<b>\$ <u>247,518</u></b>
--------------------------------------------------------	--------------------------

**WEST TRAVERSE TOWNSHIP**  
**Statement of Net Assets**  
**Proprietary Funds**  
**March 31, 2005**

		Business-Type Activities - Enterprise Funds		
		Water System	Sewer System	Totals Current Year
<b><u>Assets</u></b>				
<b>Current Assets</b>				
Cash		\$ 39,197	\$ 83,382	\$ 122,579
<b>Noncurrent Assets</b>				
Land rights		-	3,489	3,489
Depreciable assets		743,065	471,926	1,214,991
Less: accumulated depreciation		(43,143)	(298,710)	(341,853)
Total noncurrent assets		699,922	176,705	876,627
Total assets		<u>\$ 739,119</u>	<u>\$ 260,087</u>	<u>\$ 999,206</u>
<b><u>Liabilities and Net Assets</u></b>				
<b>Current Liabilities</b>				
Notes payable due within one year		\$ 40,000	\$ -	\$ 40,000
<b>Noncurrent Liabilities</b>				
Due to General Fund		538,370	-	538,370
Total liabilities		578,370	-	578,370
<b>Net Assets</b>				
Invested in capital assets, net of related debt		121,552	173,216	294,768
Unrestricted		39,197	86,871	126,068
Total net assets		160,749	260,087	420,836
Total liabilities and net assets		<u>\$ 739,119</u>	<u>\$ 260,087</u>	<u>\$ 999,206</u>



**WEST TRAVERSE TOWNSHIP**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended March 31, 2005**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water System</u>	<u>Sewer System</u>	<u>Totals Current Year</u>
<b>Operating revenues</b>			
Charges for services	<u>\$ 98,225</u>	<u>\$ 14,621</u>	<u>\$ 112,846</u>
<b>Operating expenses</b>			
Contractual services	15,714	-	15,714
Other supplies and expenses	2,120	5,980	8,100
Utilities	2,763	1,946	4,709
Depreciation	<u>18,096</u>	<u>11,762</u>	<u>29,858</u>
Total operating expenses	<u>38,693</u>	<u>19,688</u>	<u>58,381</u>
Operating income (loss)	<u>59,532</u>	<u>(5,067)</u>	<u>54,465</u>
<b>Nonoperating revenues</b>			
Interest	84	660	744
Miscellaneous	<u>-</u>	<u>94</u>	<u>94</u>
Total nonoperating revenues	<u>84</u>	<u>754</u>	<u>838</u>
<b>Nonoperating expenses</b>			
Interest	<u>3,933</u>	<u>-</u>	<u>3,933</u>
Total nonoperating revenues (expenses)	<u>(3,849)</u>	<u>754</u>	<u>(3,095)</u>
<b>Change in net assets</b>	<u>55,683</u>	<u>(4,313)</u>	<u>51,370</u>
<b>Total net assets - beginning</b>	<u>105,066</u>	<u>264,400</u>	<u>369,466</u>
<b>Total net assets - ending</b>	<u><u>\$ 160,749</u></u>	<u><u>\$ 260,087</u></u>	<u><u>\$ 420,836</u></u>

**WEST TRAVERSE TOWNSHIP**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2005**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water System</u>	<u>Sewer System</u>	<u>Totals Current Year</u>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 93,134	\$ 14,621	\$ 107,755
Payments to suppliers	<u>(20,597)</u>	<u>(8,022)</u>	<u>(28,619)</u>
Net cash provided (used) by operating activities	<u>72,537</u>	<u>6,599</u>	<u>79,136</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets and contracts payable:			
Principal paid on notes	(70,000)	-	(70,000)
Interest paid on notes	<u>(3,933)</u>	<u>-</u>	<u>(3,933)</u>
Net cash provided by miscellaneous non-operating activities	<u>30,000</u>	<u>94</u>	<u>30,094</u>
Net cash provided (used) for capital and related financing activities	<u>(43,933)</u>	<u>94</u>	<u>(43,839)</u>
<b>Cash flows from investing activities</b>			
Interest received	<u>85</u>	<u>660</u>	<u>745</u>
Net increase (decrease) in cash	28,689	7,353	36,042
<b>Cash, beginning</b>	<u>10,508</u>	<u>76,029</u>	<u>86,537</u>
<b>Cash, ending</b>	<u>\$ 39,197</u>	<u>\$ 83,382</u>	<u>\$ 122,579</u>

See accompanying notes to the basic financial statements.

**WEST TRAVERSE TOWNSHIP**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**(Continued)**  
**For the Year Ended March 31, 2005**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water System</u>	<u>Sewer System</u>	<u>Totals Current Year</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ 59,532</u>	<u>\$ (5,067)</u>	<u>\$ 54,465</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	18,096	11,762	29,858
Increase (decrease) in accounts payable	-	(96)	(96)
Increase (decrease) in deposits	<u>(5,091)</u>	<u>-</u>	<u>(5,091)</u>
Total adjustments	<u>13,005</u>	<u>11,666</u>	<u>24,671</u>
Net cash provided (used) by operating activities	<u><u>\$ 72,537</u></u>	<u><u>\$ 6,599</u></u>	<u><u>\$ 79,136</u></u>

WEST TRAVERSE TOWNSHIP  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
March 31, 2005

Agency Fund

Assets

Cash

\$ 2,833

Liabilities

Due to other funds

\$ 2,833

**WEST TRAVERSE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2005**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The West Traverse Township operates under an elected Board of Trustees and provides the following services: fire protection, streets, water and sewer, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

The Township's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Pronouncements of the FASB issued after November 30, 1989 are not applied in the preparation of the financial statements of the proprietary funds in accordance with GASB Statement No. 20. The following is a summary of the significant policies used by the West Traverse Township:

**REPORTING ENTITY**

The accompanying financial statements have been prepared in accordance with criteria established by GASBS No. 14, and amended by GASBS No. 39. GASBS 14 states that the primary basis for determining whether outside agencies and organizations should be considered component units of the Township and included in the Township's financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit's board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The Township has no component units.

**BASIC FINANCIAL STATEMENTS – OVERVIEW**

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and the fund financial statements categorize primary government activities as either governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. As a general rule the effect of interfund activity, such as overhead costs, has been eliminated from these statements. The government-wide focus is more on operational efficiency, the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS –CONTINUED**

In the government-wide Statement of Net Assets, both the governmental and business-type activities are presented on a consolidated basis. Due to the full accrual, economic resource basis, all long-term assets and receivables, as well as long-term debt and obligations are recognized. The Township's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. This statement reduces gross expenses (including depreciation) by related program revenues, which include charges for services, operating grants and capital grants.

The program revenues must be directly associated with the function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenue.

**BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The focus of the fund financial statements is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources).

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The emphasis in the fund financial statements is on the major funds in the governmental or business-type categories. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of the governmental and proprietary funds) for the determination of major funds.

**Governmental Funds**

The following is a description of the major governmental funds of the Township:

**General Fund** – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

In addition, the Township reports the following non-major governmental funds:

**Special Revenue Funds**

**Thorne Swift Nature Preserve Fund** – The Township performs record keeping functions for this fund while the Township Board approves all transactions. Primary financing is through a specific annual property tax levy.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS – CONTINUED

**Cook Property Fund** – The Township performs record keeping functions for this fund while the Township Board approves all transactions. Primary financing is through rental units.

#### Proprietary Funds

The focus of the proprietary funds is upon the determination of operating income, changes in fund net assets, financial position, and cash flows, which is similar to for-profit businesses. The following is a description of the major proprietary funds of the Township:

**Water Utility Fund** – The Water Fund is an Enterprise Fund. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing water services to the general public are recovered through user charges.

**Sewage Disposal Utility Fund** – The Sewer Fund is an Enterprise Fund. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing sewer services to the general public are recovered through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Water and Sewer Funds are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Fiduciary Funds

The fiduciary funds are used to account for assets held by the Township in a trustee or agent capacity. Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Agency funds use the accrual basis of accounting, however report only assets and liabilities.

**Agency Fund** – The Agency Fund accounts for the collection and payment of property tax levies.

#### BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the full accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### BASIS OF ACCOUNTING – CONTINUED

All proprietary funds and agency funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Unbilled Water and Sewer Fund utility service receivables are recorded at year-end.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded in the accounting period in which they are earned, as long as they are both available and measurable. Revenues are available when received within the current period or within 60 days after year end. Expenditures are recorded in the accounting period in which the liability is incurred, as under full accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and demand deposits.

##### Interfund Receivables/Payables

Outstanding balances between funds are reported as "due to/from other funds" on the balance sheet of the fund financial statements and as "internal balances" on the Statement of Net Assets of the government-wide financial statements.

##### Capital Assets

Capital assets, which include property, buildings, leasehold improvements, and equipment are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets are recorded by the Township when the initial individual costs are equal to or greater than \$1,000 for all asset types except for land. Land is capitalized if cost exceeds \$1.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, buildings and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	20 to 60 years
Sewer Systems	34 to 40 years
Water Systems & Pumping Station	25 to 50 years
Office Equipment & Furniture	5 to 10 years
Leasehold Improvements	20 to 40 years

##### Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.



## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – CONTINUED

##### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### COMPARATIVE DATA

Comparative data for the prior year is not included in the Township's financial statements.

#### ACCOUNTING CHANGE

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Effective April 1, 2004, the Township implemented the provisions of GASB No. 34. Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- A Management's Discussion and Analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations.
- Government-wide financial statements (Statement of Net Assets and Statement of Activities) prepared using full accrual accounting for all of the Township's activities.
- A change in the fund financial statements with a focus on major funds.
- Capital assets in the governmental activities column of the Statement of Net Assets include assets which were previously reported in the General Fixed Asset Account Group.

### NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all operating funds of the Township except for the agency funds. Budgetary control is legally maintained at the fund level.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
2. A public hearing is conducted at the Township Hall to obtain taxpayer comments.
3. Prior to April 1, the fund budgets are legally enacted through passage of an appropriation act.
4. Budgeted amounts are as originally adopted, or as amended by the Township Board.

The Township did not have an excess of expenditures over appropriations for the General Fund or its Special Revenue Funds.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE 3: CASH AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

#### Cash Deposits

At March 31, 2005, the carrying amount of the Township's deposits was \$917,939 and the bank balance was \$942,000.

Pooling of Cash - The Township pools cash to maximize its investment return.

Fund	Amount
<b>Primary Government</b>	
General	\$ 5,967
Water	19,112
Sewer	9,183
Other Nonmajor Governmental Funds	37,617
Total pooled cash	71,879
Cash not held in pooled accounts:	
Primary government	
Deposits	842,728
Petty Cash	499
Fiduciary Funds	2,833
Total cash	\$ 917,939

#### Federal Depository Insurance

Of the above balance in cash, \$281,897 was covered by federal depository insurance. The remaining amount was uninsured and uncollateralized. The Township may experience significant fluctuations in deposit balances through the year.

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE 4: PROPERTY TAXES

Property taxes are levied and become a lien on property as of July 1 on the State taxable valuation of property in the Township as of the preceding December 31. The Township bills and collects its own property taxes and also collects taxes for other governmental units. Collection of other governmental unit's taxes and remittance of them to the units are accounted for in the Agency Fund. Property taxes are recognized as revenue in the year for which they are levied.

The Township is permitted by charter to levy taxes, subject to State Headlee and Truth in Taxation provisions, up to \$1.00 per \$1,000 of taxable valuation for general governmental services and for the payment of principal and interest on general obligation long-term debt. The 2004 State taxable valuation of the West Traverse Township totaled \$257,322,144.

The tax rate for the year ended March 31, 2005, was as follows:

<u>Purpose</u>	<u>Rate/Taxable Valuation</u>
General governmental services	\$0.9000 per \$ 1,000
Thorne Swift	\$0.2500 per \$ 1,000

## NOTE 5: DESIGNATIONS OF FUND BALANCE

The General Fund has designated \$103,254 for road improvements, and \$71,593 for a possible future pavilion and ballpark.

In addition, the Thorne Swift Nature Preserve Fund has \$88,126 designated for activities and the Cook Property Fund has \$29,616 designated for activities.

## NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

The interfund balances within the primary government are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 541,203	\$ -
Water Fund	-	538,370
Fiduciary Funds	-	2,833
	<u>\$ 541,203</u>	<u>\$ 541,203</u>

The long-term interfund balance between the General Fund and Water Fund is for future water system expansion. The remaining balance is for property taxes.

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE 7: CAPITAL ASSETS

Capital asset activity of the Township's primary government for the current year was as follows:

	Balance April 1, 2004	Additions	Deletions	Balance March 31, 2005
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 400,604	\$ -	\$ -	\$ 400,604
Capital assets being depreciated:				
Buildings and improvements	63,433	-	-	63,433
Office equipment and furniture	42,598	8,905	-	51,503
Leasehold improvements	74,135	3,734	-	77,869
Subtotal	180,166	12,639	-	192,805
Less accumulated depreciation:				
Buildings and improvements	(27,373)	(1,489)	-	(28,862)
Office equipment and furniture	(19,793)	(3,265)	-	(23,058)
Leasehold improvements	(17,804)	(1,978)	-	(19,782)
Subtotal	(64,970)	(6,732)	-	(71,702)
Net capital assets being depreciated	115,196	5,907	-	121,103
Governmental activities net capital assets	<u>\$ 515,800</u>	<u>\$ 5,907</u>	<u>\$ -</u>	<u>\$ 521,707</u>

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 7: CAPITAL ASSETS – CONTINUED**

	Balance April 1, 2004	Additions	Deletions	Balance March 31, 2005
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land rights	\$ 3,489	\$ -	\$ -	\$ 3,489
Capital assets being depreciated:				
Equipment	1,214,991	-	-	1,214,991
Less accumulated depreciation:				
Equipment	(311,995)	(29,858)	-	(341,853)
Net capital assets being depreciated:	902,996	(29,858)	-	873,138
Business-type activities net capital assets	\$ 906,485	\$ (29,858)	\$ -	\$ 876,627

Depreciation expense was charged to the primary government as follows:

**Governmental Activities**

Unallocated	\$ 6,732
Total governmental activities	\$ 6,732

**Business-type Activities**

Water	\$ 18,096
Sewer	11,762
Total business-type activities	\$ 29,858

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE 7: CAPITAL ASSETS – CONTINUED

### Proprietary Fund Type Property, Plant and Equipment

Proprietary fund type property, plant and equipment at March 31, 2005 are summarized as follows:

	<u>Enterprise</u>
Land rights	\$ 3,489
Equipment	<u>1,214,991</u>
Total	1,218,480
Less: accumulated dep.	<u>(341,853)</u>
Net	<u><u>\$ 876,627</u></u>

## NOTE 8: LEASE OBLIGATIONS

The Township has a lease with the Little Traverse Conservancy, Inc. for the Thorne Swift Nature Preserve. Under terms of the original lease, the Township contributed \$38,000 to assist in developing the Preserve. Further, the Township is to operate and maintain the Preserve at its expense, which is in lieu of rent. A special property tax levy has been approved by Township voters of 0.25 mills to defray such costs. Upon any termination of the lease, the Conservancy obtains the rights to all leasehold improvements. The current lease extension is through November 8, 2006.

## NOTE 9: LEASING ARRANGMENTS

The Township owns three houses, which are included in the Cook Property Fund. Each of the homes is currently being leased. Leases are renewed annually and require no security deposit.

The homes will eventually be demolished and the site utilized for a new Township Hall when it becomes necessary.

Future minimum lease payments, as of March 31, 2005, from lessees are as follows:

<u>Year Ending March 31</u>	<u>Amount</u>
2006	<u>\$ 5,781</u>
Total	<u><u>\$ 5,781</u></u>

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE 10: LONG-TERM DEBT

The following is a summary of the Township's long-term debt transactions for the year ended March 31, 2005:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
PRIMARY GOVERNMENT					
Business-Type Activities					
Notes payable:					
First Community Bank Loan	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>

Debt-related liabilities payable at March 31, 2005 is composed of the following individual issues:

Business-Type Activities:

\$250,000 First community Bank Loan due in annual installments through September 30, 2005; interest at 4.2% \$40,000

The annual debt service requirements to maturity for all notes outstanding, as of March 31, 2005, are as follows:

<u>Year Ending March 31</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	<u>\$ 40,000</u>	<u>\$ 842</u>

## NOTE 11: COMMITMENTS

Harbor Springs Area Sewage Disposal Authority – The Authority is to operate the Township's sewage system. The Township reimburses the Authority for costs it incurs which, according to the agreement, will be substantially all operating costs.

Emmet County Road Commission (ECRC) – The Township signed a contract with the ECRC on March 28, 2005, for the reconstruction of Ridge Road in the amount of \$34,100. The work is to be completed by October 1, 2005. The Township also signed a contract with the ECRC on November 11, 2004, for the repaving of Charlies Run in the amount of \$20,000. The work is to be completed by October 1, 2005.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 12: CONTINGENCIES**

In prior years, the Township and the City of Harbor Springs jointly used the City landfill. Currently the landfill is being treated as a possible source of drinking water contamination. However, studies to date have been inconclusive. Thus, no provision has been made for any potential liability related to the landfill.

**NOTE 13: RISK MANAGEMENT**

The Township carries commercial insurance for risks of loss, including workers' compensation and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



REQUIRED SUPPLEMENTARY INFORMATION

**WEST TRAVERSE TOWNSHIP**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended March 31, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
<b>Beginning budgetary fund balance</b>	\$ 860,479	\$ 860,479	\$ 1,007,739	\$ 147,260
<b>Resources (inflows):</b>				
Taxes	278,500	278,500	314,284	35,784
State revenues	70,000	70,000	96,362	26,362
Charges for services	34,000	34,000	34,428	428
Interest and rentals	8,000	8,000	8,344	344
Other	-	-	36,205	36,205
Amounts available for appropriations	1,250,979	1,250,979	1,497,362	246,383
<b>Charges to appropriations (outflows):</b>				
General government:				
Legislative	12,500	16,582	16,582	-
Trustees	10,000	10,000	10,000	-
Supervisor	16,000	16,000	12,158	(3,842)
Elections	4,000	4,135	4,135	-
Accounting and audit	1,000	1,000	546	(454)
Assessing	29,000	29,000	24,718	(4,282)
Legal services	7,000	7,000	4,445	(2,555)
Clerk	20,000	20,000	15,733	(4,267)
Board of review	1,500	1,500	978	(522)
Treasurer	21,500	21,500	17,675	(3,825)
Office manager/bookkeeper	13,500	13,500	8,661	(4,839)
Summer tax collection	7,500	7,500	5,651	(1,849)
Building and equipment	15,000	15,000	19,872	4,872
Insurance	9,000	9,000	8,225	(775)
Contingency	7,500	7,500	-	(7,500)
Total general government	175,000	179,217	149,379	(29,838)
Public safety:				
Fire Protection	32,000	38,368	38,368	-
Planning	20,000	20,000	19,256	(744)
Zoning	15,000	15,000	13,827	(1,173)
Total public safety	67,000	73,368	71,451	(1,917)
Public works:				
Roads	2,500	32,600	32,600	-
Landfill	2,000	2,000	-	(2,000)
Airport authority	7,500	8,410	7,720	(690)
Total public works	12,000	43,010	40,320	(2,690)

**WEST TRAVERSE TOWNSHIP**  
**Budgetary Comparison Schedule**  
**General Fund**  
**(Continued)**  
**For the Year Ended March 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		
Recreation and cultural:				
Library	-	-	690	690
Parks and recreation	<u>20,000</u>	<u>20,000</u>	<u>11,285</u>	<u>(8,715)</u>
Total recreation and cultural	<u>20,000</u>	<u>20,000</u>	<u>11,975</u>	<u>(8,025)</u>
Capital Outlay	<u>18,000</u>	<u>18,000</u>	<u>8,905</u>	<u>(9,095)</u>
Transfers (out)	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total charges to appropriations	<u>332,000</u>	<u>373,595</u>	<u>282,030</u>	<u>(91,565)</u>
<b>Ending budgetary fund balance</b>	<u><u>\$ 918,979</u></u>	<u><u>\$ 877,384</u></u>	<u><u>\$ 1,215,332</u></u>	<u><u>\$ 337,948</u></u>

OTHER SUPPLEMENTAL INFORMATION

**WEST TRAVERSE TOWNSHIP**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**March 31, 2005**

	Thorne Swift Nature Preserve Fund	Cook Property Fund	Total
<b><u>Assets</u></b>			
Cash	\$ 84,291	\$ 29,616	\$ 113,907
Taxes Receivable	3,835	-	3,835
Total assets	<u>\$ 88,126</u>	<u>\$ 29,616</u>	<u>\$ 117,742</u>
<b><u>Liabilities and Fund Balances</u></b>			
<b>Fund balances</b>			
Designated for Fund Activities	<u>\$ 88,126</u>	<u>\$ 29,616</u>	<u>\$ 117,742</u>

**WEST TRAVERSE TOWNSHIP**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended March 31, 2005**

	Thorne Swift Nature Preserve Fund	Cook Property Fund	Total
<b>Revenues</b>			
Taxes	\$ 64,463	\$ -	\$ 64,463
Charges for services	2,971	-	2,971
Interest and rentals	278	19,442	19,720
Other	660	416	1,076
	<hr/>	<hr/>	<hr/>
Total revenues	68,372	19,858	88,230
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Current:			
Recreational and Cultural	40,843	9,635	50,478
Capital Outlay	3,734	-	3,734
	<hr/>	<hr/>	<hr/>
Total expenditures	44,577	9,635	54,212
	<hr/>	<hr/>	<hr/>
<b>Net change in fund balances</b>	23,795	10,223	34,018
	<hr/>	<hr/>	<hr/>
<b>Fund balances - beginning of year</b>	64,331	19,393	83,724
	<hr/>	<hr/>	<hr/>
<b>Fund balances - end of year</b>	\$ 88,126	\$ 29,616	\$ 117,742
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>